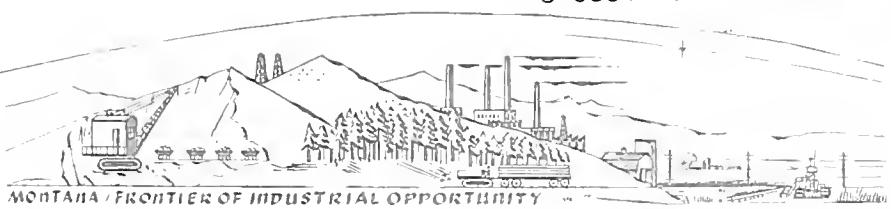


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Industrial Horizons



Vol. 6, No. 7, Aug.-Sept., 1959

News Publication — Montana State Planning Board

NEW INDUSTRIES FOR MONTANA CITIES

A Montana location for four major new industries was announced recently.

Two Large Plywood Mills

Vancouver Plywood Co., Vancouver, Washington, plans a \$2.5 million plywood mill in Missoula. The mill is to be completed by May 1, 1960 and will employ 200 men. The plant will process Northern Pacific timber, mainly larch and Ponderosa pine. Vancouver is primarily a sales company handling output of other producers. However, its Montana output will be directed mainly to industrial markets such as underlayment of kitchen tables and cabinets. William C. Smith, in charge of timber and logging for Vancouver, said in Missoula October 2: "Missoula is an outstanding location for the plant because of its accessibility to timber and the excellent rail connections with markets throughout the country."

2. Cascades Plywood Corp., of Portland has announced purchase of Polson Plywood Co., located at Polson since 1951. Cascades plans to spend \$1.5 million the next few years to modernize the plant and increase capacity, according to Charles W. Fox, president. Sufficient new machinery will be installed to effect

a final production of 4.5 million feet of plywood per month on a $\frac{1}{2}$ " basis. The plant will operate on a full three-shift, five-day basis employing 200 men when full capacity is reached. Cascades has secured a commitment for 300 million feet of timber in the locality and plans to purchase supplementary government timber. Polson, Montana's first plywood mill, pioneered in use of larch for plywood.

These developments focus attention on Montana as America's new frontier in plywood production.

Steel Mill

3. A possible \$20 million steel plant for Anaconda was announced September 18 by Webb & Knapp, Inc., New York real estate development firm.

Through a new process, Webb & Knapp plans to recover iron for the steel mill from the huge slag pile adjacent to the Anaconda Company smelter. The \$5 million steel plant would utilize the new Strategic-Udy direct reduction process by which low-grade steel can be made from powdered ore with as little as 25 per cent iron content. Tests run on slag from Clarksdale, Arizona, where a second mill is contemplated, show 33 per cent iron. Webb & Knapp has contracted to purchase 40 million tons of slag from the

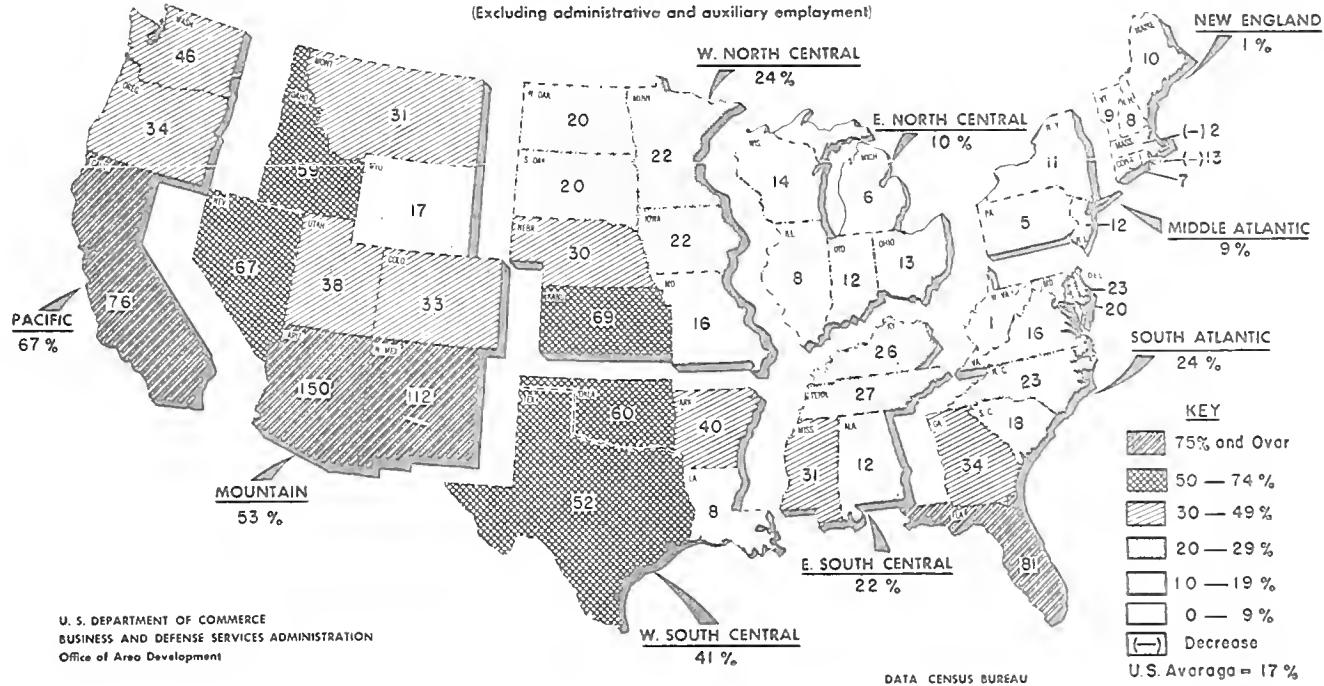
Anaconda Company and not less than 200,000 tons of hot slag from the smelter the first year of production, with 300,000 tons each year thereafter. Final products will probably be steel reinforcing rods, wire, nails and fencing. A by-product would be insulation material and light-weight aggregate. Completion of the mill by 1963 is possible.

Brass Plant

4. Butte's highly successful ex-mayor, Jim J. Sullivan, announced October 2 he plans a \$1 million brass plant for Butte, hard-pressed by a copper strike and unemployment. Butte Brass Co. will manufacture gas controls, brass valves and fittings. Sullivan commented: "for many years we have been producing such raw materials as copper and zinc right here in Butte only to ship them elsewhere. The institution of a brass plant here will give us opportunity not only to produce such mineral wealth, but to follow through and manufacture a finished product from natural resources right in our own back yard." Montana, Idaho, Oregon, Washington and Canada, he said, will supply a good market for the plumbing supplies. Sullivan has been negotiating with three brass plants in Mass., and Penn., one of which will be purchased to transfer operations to Butte.

PERCENT INCREASE IN NUMBER OF MANUFACTURING EMPLOYEES BY STATE AND REGION: 1947-56

(Excluding administrative and auxiliary employment)

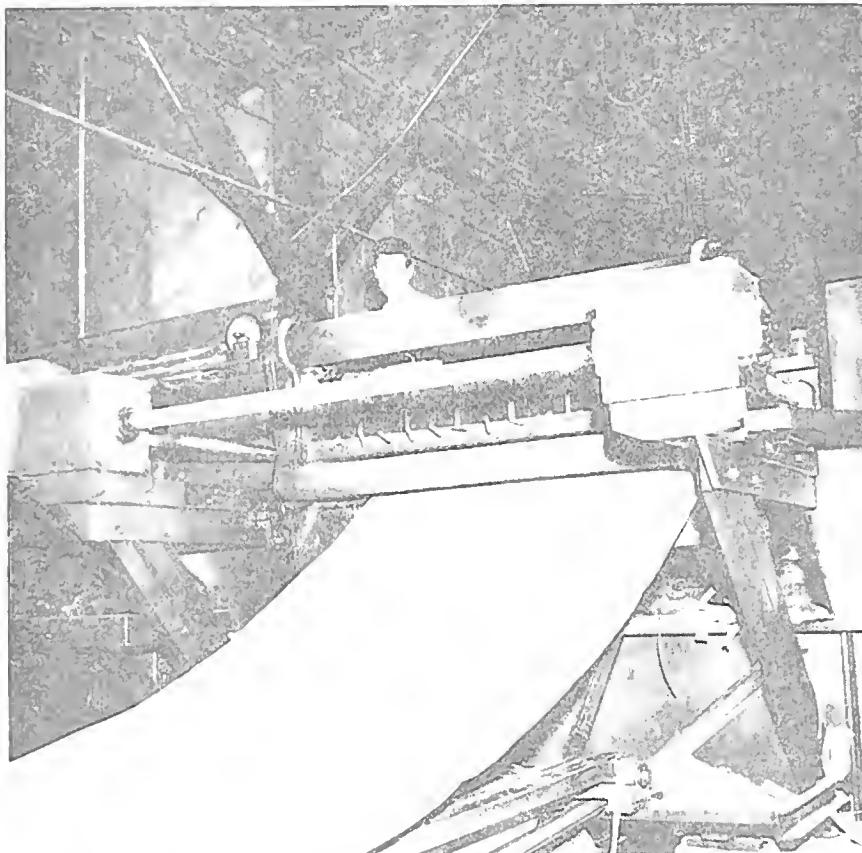


Helping small locally-owned businesses is the key to successful industrial development.

Nearly 85 per cent of Montana's manufacturing establishments have less than 20 employees. Every community has several of these concerns that exhibit growth potential and could use help.

INDUSTRIAL HORIZONS in this issue features five of Montana's many small businesses. Each of these firms started on a shoestring, and has grown into a successful business. Check your development.

CASCADE PLYWOOD EMPLOYS 18



Montana's second plywood plant is a relatively unheralded small business—Cascade Machine Works in Somers.

With a year-round payroll of 18, the firm has been housed since 1957 in a building formerly part of the DeVoe Lumber Co., which burned in 1956.

Potters from Washington

The Potter family—Mr. and Mrs. Lynn Potter and sons, Don and Dave—formerly operated a veneer plant in Emenlaw, Washington. The name Cascade Machine Works comes from a machine shop formerly operated by the Potters. The firm is a family-owned corporation with an investment of approximately \$350,000.

Using the one peeling machine, the Potters produce about 110,000 square feet of 1/10" veneer per day. About 1/5 of this is made into 4x4 plywood sheets, half of which is sold to Montana lumber yards. The remaining 4/5 of the veneer is shipped to a Tennessee firm which uses the material as core material for plywood with a facing of imported wood. The Potters designed most of their own machinery.

Log Supply a Problem

A primary problem is log supply, according to the Potters. Finding suitable timber at a reasonable cost presents a problem to a new plywood manufacturer in any area. The Potters use fir and larch in their operations.

Vacation Trailers Made In Kalispell

Montana's first and only trailer coach manufacturer is a small, home-owned business in Kalispell starting from scratch—O'Kacy Coaches, Inc.

The firm, owned by O'Dean LaCoursiere of Kalispell, is turning out two kinds of trailers—neat, compact coaches for installation on pickup trucks and small 17-foot vacation trailers. With a total of 12 employees, the firm is now turning out an average of one coach a day on a production line basis. Plans are to expand production into regular 50-foot mobile homes.



LaCoursiere, who sold trailers for many years, started building the coaches on a limited basis in a barn near his home earlier this year. In June he moved to a larger warehouse and he is presently looking for even larger quarters. So far, O'Kacy has produced 30 slip-on pickup trailers and 300 two-wheeled vacation trailers.

Each of the coaches is built up from the beginning. Starting point on the production line is a jig on which the sides, roof and floor are formed. Separate members are then joined and covered with sheet aluminum. Finally, appliances (stove, sink, heater, refrigerator, cabinets, etc.) are installed and the interior finished.

SPB Survey Showed Markets

O'Kacy Coaches fills a void of long standing in Montana's industrial complex. According to a survey conducted by the State Planning Board in 1957 (see INDUSTRIAL HORIZONS, July-August, 1957), there are sufficient markets, not only in this state but also in Canada, the Dakotas and Northern Wyoming, to justify establishment of a trailer industry in Montana. Each year, for instance, over 300 vacation trailers are convoyed through the Sweet Grass entry station into Alberta trailers made in California, Utah, Idaho and Colorado and shipped

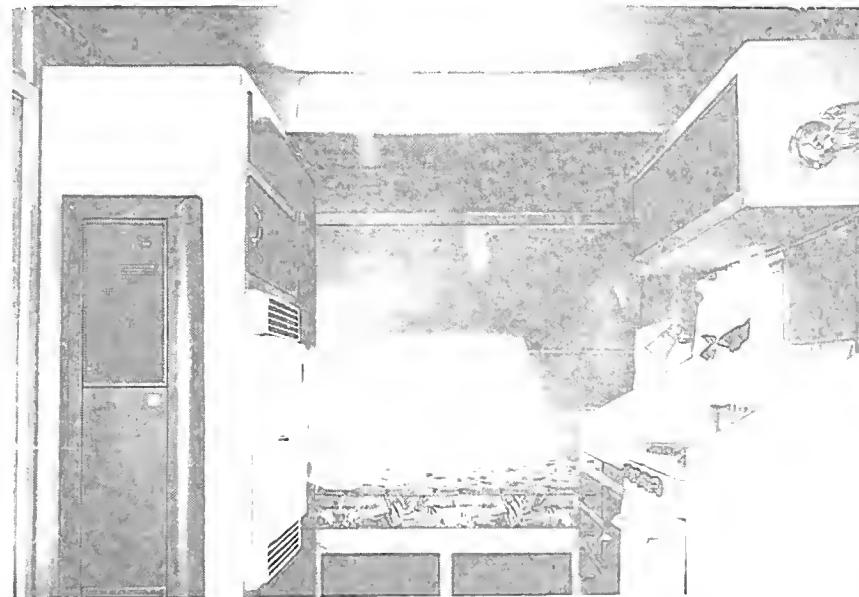
through Montana. The survey showed a Montana manufacturer would have a freight differential for Montana markets amounting to 10 per cent of the final retail price.

Vacation trailer manufacture basically is an assembly type of operation—only the body is constructed at the factory. Axels, wheels, windows, hitches, appliances and bunks are purchased from firms specializing in these products and installed on the job. Machinery for manufacture is the same as that used in a well-equipped cabinet shop. No elaborate sales organization is required—marketing is through independent mobile homes dealers which generally order direct from the factory and provide their own transportation.

Thus it may be seen manufacture of vacation trailers is an ideal small business.



So far O'Kacy Trailers has produced 30 small vacation trailers designed for slipping on pickup trucks. This type of installation has become quite popular with hunters and campers.



An interior view of an O'Kacy Trailer built to slip over the bed of a pickup truck.

Thompson Falls Firm Makes Log Houses

Pre-cut log houses ready to be assembled on the job are being manufactured by a small plant in Thompson Falls, National Log Construction Co. Stephen D. Babcock, a transplanted Michiganite, is founder and president of the firm.

The process of manufacture is this in simplified form:

Logs, cut to a length of 8'4", are brought to a large lathe, where they are sealed into three sizes 6", 7" and 8" diameters.

Next they move to a special machine which bores a 3" hole throughout the length of the log.

Bored Logs Make Better Houses

The advantages of bored and turned logs in rustic construction are quickly



apparent. First, and perhaps most important, checking and cracking is lessened because the logs dry and season from the inside as well as outside. The uniform thickness of the logs makes it possible to build a neat, tight structure at no sacrifice of charm and rustic appeal.

In addition, the hollow center of the logs is ideal for hiding wires, conduits, and plumbing. The trapped air gives the house better insulation while the boring reduces weight and shipping costs to a considerable extent.

Special Grooving

From the boring process the logs go into a milling machine where a tongue and groove detail is milled into each side. This permits a tight fit in the log wall without use of chinking or caulk.

Naturally, door and window jambs, headers, plates and rafters must be milled out to fit the round surface and make possible a strong structurally sound building. Special machines have been designed for these jobs.

A number of standard log cabin plans are available, but the majority of orders are custom designed by Babcock to fit the needs of the purchaser. The buildings have secured FHA approval and are in use all over Montana and the West. One large National Log building is the 50-room dormitory recently built in Yellowstone Park.

Starting Small

Founded in 1946, the firm is starting small with only eight employees at present. However, production is increasing—up to one complete house per day, now. Babcock expects employment to increase to 20 when he begins manufacture of a panel wall log studs covered on each side by plywood sheathing (see INDUSTRIAL HORIZONS, April, 1959).

Babcock is a good citizen, too. As chairman of the Industrial Committee of the Thompson Falls-Noxon Chamber of Commerce, he realizes any new economic growth in his area will benefit the entire community as well as his own business.

PLANNING INSTITUTE WELL ATTENDED

Montana's First Planning Institute was held on the campus of Montana State University in Missoula, Sept. 18-19, and was attended by 90 persons from all over the State.

Registrants heard technical discussions of such planning problems as zoning and subdivision control. Complete Proceedings of the Institute will be available in two weeks and will be sent to all registrants. Others may receive free copies from the State Planning Board in Helena.

"Community Planning and Development"

By Dr. Paul G. Blomgren, Dean

School of Business Administration, Montana State University, Missoula
(Banquet Speech at First Montana Planning Institute, Sept. 19)

It is indeed a pleasure for me to address this First Montana Planning Institute. I have enjoyed the sessions it has been possible for me to attend. From my own observations, as well as comments I have received, this is a successful Institute. There is no doubt in my mind that it will be continued in years to come. In fact, the very title, "First Montana Planning Institute" indicates that there are more to come. Those who planned this Institute were indeed good planners—they were looking further into the future than just 1959.

As a freshman Dean in your State University, it is gratifying to see that Montana State University is a co-sponsor. We, in the School of Business Administration feel very deeply the obligation to serve the State of Montana wherever possible. I'm certain this feeling is shared by other schools and colleges within the University, as evidenced by their participation in this and other such meetings.

For the past 12 years it has been my privilege to observe community planning somewhat as an outsider, yet close at hand. During this period I have taught in a Department of Economics and two Schools of Business Administration, each of which participated in portions of community planning at the request of several localities. In the time remaining, I would like to discuss briefly a few things I have observed in other states. I want to speak with particular emphasis about planning for new industry.

Planning Is Orderly Growth

Planning is nothing but the provision in a community for orderly development and growth. It is the sort of activity that must be undertaken by any institution business, university, governmental agency, etc., if progress is to contain as little chaos as possible. However, no business which is forced to make a profit for survival can afford to do the half-way job that many communities do.

Assess the Base

The first thing any business organization does in planning is to access the base from which it starts. What are the capacities of its human, financial and machine resources? Only after we have thorough knowledge of our present position are we able to plan for the future. How many cities have a complete knowledge of the base from which they start before they actively seek opportunities for growth industry? From my observation, all too few. The results are often tragic blunders. Let's also make one thing clear—I mean knowledge of more than

just mineral and similar resources. It is necessary to have complete knowledge of your labor force, its size and characteristics. You need to know the capacities of your water and sewage systems. What are the capabilities of your fire and police protection services? What are the capacities of your school and recreational systems? What is your tax base and structure, and how much more can it stand without complete revision? What are your problems that growth can either help or intensify? You must know the answers to these and similar questions before you start any planning. Let me illustrate how lack of knowledge or understanding led three cities in other states down the wrong road.

Wrong Industry May Compound Civic Ills

In one city almost all local industry was automotive. As a result every time car sales declined severe unemployment resulted. The city fathers felt they needed more industry, so they sought out new firms. They actively tried to secure more auto parts firms on some crazy notion that since they had a few it should be easy to attract more. A complete lack of understanding of one of the community's basic economic problems led these people to intensify the fire in which they were already frying.

In another city, there was considerable male unemployment due to closing and moving of a particular plant. Fortunately, however, most of the potential female work force was already employed. "We lost a plant, let's replace it," became the watchword. This city made all sorts of concessions trying to obtain a firm which employed predominantly—female labor. Here again, through failure to understand their own problem, or failure to properly know the firm they were seeking to attract, the city sought to intensify its own problems.

Finally, a third city ardently sought a plant which would manufacture a popu-

lar wonder drug. Had they secured such a plant it would have been necessary to more than double their existing water supply as this process consumes large quantities of water. The tax base and tax structure of the city were such that this move was in the realm of a dream. The firm recognized the situation and did not locate there. However, in spite of their good intentions, the industry seekers looked quite ridiculous in the eyes of a major American business.

These are enough examples to illustrate my basic point. Good community planners, like good card players, thoroughly understand their hands before they lay any cards on the table.

"What Industry Do You Need?"

Knowledge of the base not only gives you a firm footing to start with, it also comes close to providing the direction for your next steps. A problem thoroughly understood is a problem more than half solved. Once you know what you have, then you can figure out what you need. People frequently say to me, "We need more industry." I answer, "What industry do you need?" If they can't answer that question they have no business planning the development of their city.

Before I close I would like to discuss one more point which on the surface seems distant from the discussion so far, but is more closely tied than you may think. What does the modern business executive expect of city planning? Many people seem to think that the answer is special privilege, that the only interest of business is dollar profit. This is simply not true of the modern business firm; it does not exist in a vacuum. The thoughtful executive today recognizes that the firm is also a citizen in the community, as are the individuals associated with the firm. As a result, executives are interested in the environment in which this citizen firm must exist, and in which its employees must live.

Executives Want Orderly Development

The executive wants to know that you provide for orderly development of all aspects of the community. He wants to see that provision is made for residential, commercial and industrial development. For example, if he sees that special privilege has been granted to a few and zoning requirements twisted or changed to suit their whims, he has grave doubts. This whim may be turned against the citizen firm or its employees tomorrow.

In one city because of complete lack of city-county zoning cooperation, an industrial plant was built adjacent to the city limits and across from the only fine residential district in town. Not only was the plant noisy and unsightly, but it now blocked the only avenue of growth left

PLANNING INSTITUTE (Cont.)

for that district. The city then added insult to injury by making it possible and most feasible for that plant to dump over 2,000 automobiles through the residential area at 8:00 a.m. and 4:00 p.m. each day. A thoughtful executive commented that this gave all business a black eye. He also commented that this kind of special privilege could be turned against him just as in this instance it favored business. Consequently, he would seek location elsewhere.

No Special Privilege

There may have been a day when business constantly sought special privilege. That day is rapidly passing. There are still some who seek such privilege. These are not the "solid citizen" firms which we are interested in cultivating. The social community and business community would be just as well off without the self-seekers. The profitable environment for business is not confined to commercial environment alone, but includes the community environment in which its human resources must live.

I do not envy you who are responsible for planning. Yours is largely a thankless task in the present, for you cannot satisfy everyone. Your main rewards are personal satisfaction in a job you can be proud of, and the conviction that the future will remember your efforts with pride. Assess the base from which you start; determine what you need and what you can afford, then plan on all fronts to the best of your ability. Then, and only then, can it be said that you are doing a sound planning job. The fact that you are here shows your intense interest. I am confident that these meetings will prove to have been helpful to you.

BRIEFS . . .

Farmers Union Grain Terminal Association has signed a contract to rebuild the grain elevator and feed distribution plant at Billings destroyed by fire this spring, according to GTA officials. The new \$215,000 plant will include a 70,000 bushel elevator, a steam roller plant, a large warehouse and space for a future feed mill. GTA operates other feed plants at Glendive, Chinook, and Great Falls, Montana; Perham and Montevideo, Minnesota; Williston, Minot and Hunter, North Dakota.

Montana Bureau of Mines and Geology in Butte has available for free distribution a new bulletin, "Summary of Montana Mineral Resources" by Uuno M. Sihinen and Frank A. Crowley. Containing a brief description of the occurrence and uses of each of Montana's mineral commodities, from agate to zirconium, the bulletin also provides up-to-date production figures. Recent discoveries are included as well as a list of selected references for each commodity. Of further interest is a special map which shows areal distribution of Montana's mineral resources.

INDUSTRIAL HORIZONS

CITY PLANNING GOING WELL IN MONTANA CITIES

City planning is well established in Montana and nearly every community with significant growth problems now has a city-county planning board, according to a recent survey conducted by the State Planning Board.

Since July 1, 1957—when the enabling legislation for local planning agencies went into effect—a total of 16 official city-county planning boards have been formed in Montana communities. These boards are advisory groups created by city councils and boards of county commissioners. They make recommendations on growth problems to the elected governing bodies, who then may implement or reject the recommendations. Montana is fortunate in having a law that allows cooperation across city boundaries in solution of urban growth problems.

Other significant facts developed in the survey include:

*1. Eight of the Boards have begun official master plans for their area—Billings, Butte, Bozeman, Columbia Falls, Great Falls, Helena and Missoula.

*2. Three Boards have received federal aid through the State Planning Board for aid in their planning programs—Bozeman, Helena and Missoula. A total of \$22,115 in supplementary aid has been secured through the State Planning Board for these cities.

*3. Montana's three largest cities—Billings, Butte and Great Falls—have also done part of their planning programs with the federal aid.

*4. Only one City-County Planning Board has a full-time resident planner: Great Falls. Billings is looking for one.

Have Consultants

*5. Seven other Boards have contracted with private planning consultants to do master plans—Bozeman, Butte, Columbia Falls, Havre, Helena, Kalispell and Missoula. The Glendive Chamber of Com-

merce hired a consultant in 1951 to do a master plan, and the new Glendive City-County Planning Board is now bringing the plan up to date.

*6. In Bozeman, the City Council and Board of County Commissioners have adopted the major streets plan as part of the total master plan.

*7. In Billings, the City Council and County Commissioners have adopted the Board's master plan, including the future land use plan and subdivision regulations. The City Council has adopted the zoning ordinance.

*8. In Great Falls, the City Council has adopted the land use plan, subdivision regulations and a workable program. The Board is now reviewing a zoning ordinance.

*9. The Kalispell and Columbia Falls Boards have engaged a consultant to prepare a joint plan for the Flathead Valley.

While planning is off to a good start, Montana communities still have a long way to go before they are the well-planned communities in which modern industry locates. It is still possible to mold our communities into what we want them to be. One of the most important tools in this effort is urban planning and official city-county planning boards.

The State Planning Board has been co-ordinating city planning activities in Montana since the Board's inception in 1955. The Board has been engaged in this function because formation of local planning agencies is a fundamental part of any solid industrial development program.

When Montana cities are planned and zoned—and their future assured as good places to live—we will have an important inducement to industrial development. This emphasis on city planning will pay dividends in Montana's future development, for it is only with living communities that the state will thrive.

PLANNING IN MONTANA, OCTOBER, 1959

Board

1. Billings-Yellowstone
2. Bozeman-Gallatin
3. Butte-Silver Bow
4. Columbia Falls-Flathead
5. Glasgow-Valley
6. Glendive-Dawson
7. Great Falls-Cascade
8. Havre-Hill
9. Helena-East Helena-Lewis & Clark
10. Kalispell-Flathead
11. Libby-Lincoln
12. Livingston-Park
13. Miles City-Custer
14. Missoula-Missoula
15. Polson-Lake
16. Whitefish-Flathead

In addition, Lewistown has a City Planning Board

President

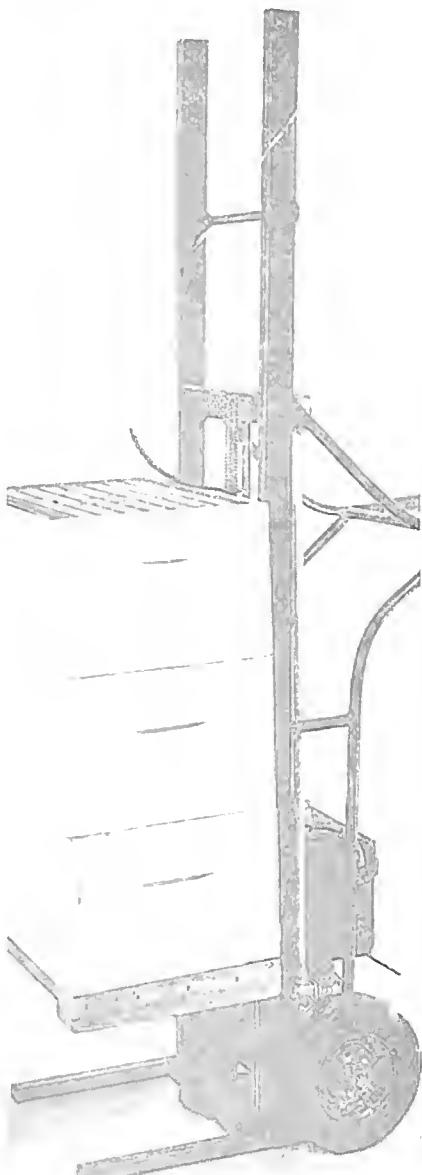
Gene Trotter
Carroll Henderson
T. S. Veazey, Jr.
George A. Shay
Dr. R. J. Rasmussen
Russell McDonough
H. Cleveland Hall
Vance Murphy

H. S. Dotson
Charles L. Hash
Paul Evans
Dr. V. V. Crissey
W. Boyce Clarke
Vernon R. Peterson
Ronald Oldis
Officers unknown

Thirty per cent of Montana is leased by oil companies, according to "The Oil Producing Industry in Your State," a publication of the Independent Petroleum Association of America. The publication says 28 of the 56 Montana counties have oil and/or gas production. A total 148,-

500 acres has been proved productive of oil and/or gas (out of 93 million acres). The publication states a total of 2,758 employees are engaged in crude oil and natural gas production in Montana. Petroleum is now Montana's most valuable mineral.

HALL'S HONEY HOIST



Pictured above is a product of a very inventive mind, and the basis of a prosperous small business.

Lester Hall has been in the honey business in Livingston several decades. Last year he decided he was doing a lot of unnecessary lifting in Hall's Honey House, and put together a hoist to raise honey frames to be dumped into the processing machine (or as it is put in technical honey operator's language—"lift those supers of honey to the uncapper").

Hall manufactures the hoist in his spare time in a garage attached to his honey plant. In the past two years he has made 65, most of them marketed out of state. He fabricates all the iron himself and installs either a six-volt battery motor or a 1/2-h. p. electric motor. The success of Hall's Hoist shows that small business can exist and grow in Montana.

MONTANA STATE PLANNING BOARD

Sam W. Mitchell Building

Helena, Montana

Industrial Horizons . . .

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Fire-Go Starters— Unique Invention

Things are booming at the Hersman Manufacturing plant south of Livingston.

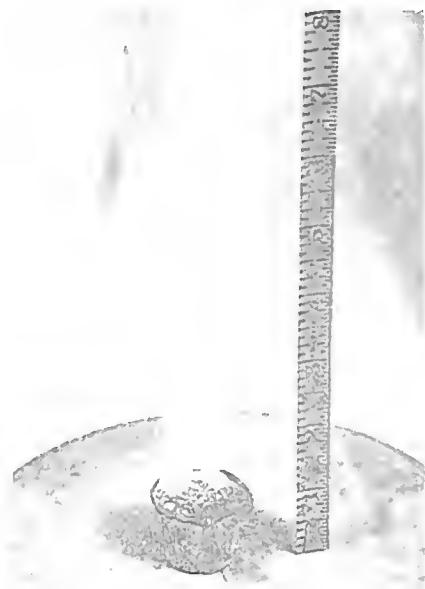
Work has begun on winter production of Fire-Go Starters, a unique product used by campers, fishermen, hunters and backyard barbecueurs to start fires.



Hersman's fire lighter is made by filling a 3/4-oz. waxed paper cup with sawdust and a patented combination of chemical ingredients. Paraffin melted at 200 F. is then poured over the material, penetrating to the bottom of the cup. Another operation quickly lowers the temperature



to 0 F., forcing the contents to harden. The entire operation takes just one minute and the finished product is ready for packaging, according to Gerald E. Hersman, originator of the Fire-Go Starter.



Stays Lit 40 Minutes

To ignite the fire a slight tear is made in the rim of the paper cup. The cup acts as a wick and the wax and sawdust react to produce a controlled fire. The tiny cup produces a flame seven inches high for 40 minutes.

One of Hersman's baffling problems was lack of suitable machinery. However, with the aid of Lester Hall, owner of Hall's Honey House (see accompanying article), special machinery was built to produce Fire-Go in an assembly-line process. About 14 part-time people are employed in the operation, and present capacity is 10,000 fire lighters per hour.

Local and Regional Markets

Most of the Fire-Go's are sold in this part of the country. The past two seasons over one million were sold to the Yellowstone Park Company to light stoves in tourist cabins. However, new outlets are constantly appearing. One interesting connection with another Montana industry is that J. Neils Lumber Co. of Libby is including a Fire-Go with each Presto-Log charcoal log for home barbecues.

This is another Montana small business, product of a man with imagination, operating on a shoestring, but with a great future if these first few years of hardship can be overcome.

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